



# *SUCCESS STORY*

## *PHILADELPHIA DISTRICT*

### *OFFICE*

U. S. SMALL BUSINESS ADMINISTRATION

---

**Contact:** Ana Gallardo (215)580-2707

**Internet Address:** [www.sba.gov/pa/phil](http://www.sba.gov/pa/phil)

### **NOT KEEPING IT ALL IN THE FAMILY**

In 1989 **Chris Lutz** was laid-off from the steel company where he was employed for 17 years. His wife **Ruth** was tired of her job as a waitress. The couple took out a second mortgage on their home and invested \$30,000 to start "Sneaker Villa" a family-operated retail footwear store in Reading, PA

Their stores reflect the wishes and desires of the customers. Cutting edge street graphics, lighting, hip-hop music, and innovative displays create an environment that appeals to urban youth. "This gives us a tremendous opportunity to communicate positive messages to the youth in an accepting environment." Said **Jason Lutz**, company President.

IS JASON LUTZ THE NEW OWNER? THEIR SON? DO WE KNOW WHEN HE TOOK OVER?

Sneaker Villa has a philosophy of giving back to the communities where the company has a presence. "Hopefully, we can serve as a model for other businesses and show that you can make money and benefit neighborhoods, too" says Lutz. They don't just go into neighborhoods and open stores. Sneaker Villa stores have established goals for hours of community service work by its staff.

Sneaker Villa recently got involved in the Philadelphia gun buy back program. They donated \$25,000 in store gift certificates to the program. According to Lutz, they helped take over 1,000 guns off the streets. .

They are also involved in the Philadelphia Futures program, which is an initiative encourage high school students to go to college. Through a cooperative with local schools, the company donates up \$7,500 for each student they sponsor to cover books and tuition.

Each SneakerVilla store has space dedicated to pictures and testimonials of neighborhood projects. The Lutz's estimate they will donate more than \$100,000 in sweat equity and cash to local charities and causes. Their volunteerism has earned them praise from community leaders throughout eastern and central Pennsylvania.

The Lutz's are so committed to community outreach that this year they hired a community-action coordinator. The company also instituted a policy that employees from each store must log a combined 250 hours of community service each year.

Lutz stated that being customer focused has gotten them repeat business and enabled them to excel in a highly competitive industry. He also mentioned that SneakerVilla is committed to hiring and training individuals from within the communities they serve. They also look to promote employees that they have groomed within the company. Employee loyalty has been a key component to their success.

In 1992, Sneaker Villa received a \$200,000 7a loan from Leesport Bank that was guaranteed by the SBA.

#### WHAT WAS THE LOAN USED FOR?

They have grown from one store with five employees to 14 retail locations with 200 employees and sales of over \$30 million in 2004.

The 7(a) Program is SBA's primary lending program. It provides loan guaranties for small businesses unable to secure financing on reasonable terms through normal lending channels.

The maximum loan amount is \$2 million under the 7a loan program. The eligibility requirements are designed to be as broad as possible in order that this lending program can accommodate the most diverse variety of small business financing needs.

“The SBA takes great pride in companies such as Sneaker Villa. They knew when to ask for financial assistance to grow their business, and they also know the importance of giving back, by empowering themselves and their employees to make a difference in their communities.” said Tom Tolan, Director of the SBA Philadelphia Office. “We need more companies like Sneaker Villa to help bring jobs and hope to economically distressed communities all across our country.”